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EXAMINER

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**BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES**

Application Number: 09/540,011
Filing Date: March 31, 2000
Appellant(s): KIGHT ET AL.

Alfred A. Stadnicki
For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed 11/24/2004.

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(1) *Real Party in Interest*

A statement identifying the real party in interest is contained in the brief.

(2) *Related Appeals and Interferences*

A statement identifying the related appeals and interferences which will directly affect or be directly affected by or have a bearing on the decision in the pending appeal is contained in the brief.

(3) *Status of Claims*

The statement of the status of the claims contained in the brief is correct.

Claims 36, 39, 41, 44, 46 and 49 have been canceled subsequent to the final rejection, which is acknowledged and entered.

(4) *Status of Amendments After Final*

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

The amendment after final rejection filed on 11/24/2004 concurrently with the Appeal Brief has been entered. The said amendment canceled claims 36, 39, 41, 44, 46 and 49.

(5) *Summary of Invention*

The summary of invention contained in the brief is correct.

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(6) Issues

The appellant's statement of the issues in the brief is correct provided under the heading: " VI. Grounds For Rejection presented for Review " on pages 3-4 of the Appeal Brief.

(7) Grouping of Claims

The rejection of claims 37, 38, 42, 43, 47 and 48 stand or fall together because appellant's brief does not include a statement that this grouping of claims does not stand or fall together and reasons in support thereof. See 37 CFR 1.192(c)(7). The absence of such a statement and argument is a concession by the applicant that, if the ground of rejection were sustained as to any one of the rejected claims, it will be equally applicable to all of them. Also, the Board panel assigned to the case will normally select the broadest claim in a group and will consider only that claim, even though the group may contain two broad claims, such as "ABCDE" and "ABCDF." The same would be true in a case where there are both broad method and apparatus claims on appeal in the same group. The rationale behind the rule, as amended, is to make the appeal process as efficient as possible. Thus, while the Board will consider each separately argued claim, the work of the Board can be done in a more efficient manner by selecting a single claim from a group of claims when the appellant does not meet the requirements of 37 CFR 1.192(c)(7).

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(8) Claims Appealed

The copy of the appealed claims contained in the Appendix to the brief is correct.

(9) Prior Art of Record

5,220,501

LAWLOR

6-1993

White et al.; " 4-in-1 Accounting: The basics from Real-World" PC Magazine, vol4,no.20 (October 1, 1995), pp167-168.

(10) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:
The grounds of rejection are reproduced below from the Final Office Action and are provided here for the convenience of both the Appellant and the Board of Patent Appeals:

Quote"

Claim Rejections - 35 USC § 101

3. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 36-40 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

The United States Constitution under Art. I, §8, cl. 8 gave Congress the power to "[p]romote the progress of science and useful arts, by securing for limited times to

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authors and inventors the exclusive right to their respective writings and discoveries". In carrying out this power, Congress authorized under 35 U.S.C. §101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof." Therefore, a fundamental premise is that a patent is a statutorily created vehicle for Congress to confer an exclusive right to the inventors for "inventions" that promote the progress of "science and the useful arts". The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450 U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held that the recited mathematical algorithm did not render the claim as a whole non-statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson*, 409 U.S. 63, 175 USPQ (BNA) 673 (1972). Additionally, the court decided separately on the issue of the "technological arts". The court developed a "technological arts" analysis:

The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed subject matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. *In re Toma* at 857.

In *Toma*, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The court found that the claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer.

The decision in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* never addressed this prong of the test. In *State Street Bank & Trust Co.*, the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather, statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See *State Street Bank & Trust Co.* at 1374. Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Therefore, the court held that "[w]hether the patent's claims are too broad to be patentable is not to be judged under §101, but rather under §§102, 103 and 112." See *State Street Bank & Trust Co.* at 1377. Both of these analysis goes towards whether the claimed invention is non-statutory because of the presence of an abstract idea. Indeed, *State Street* abolished the Freeman-Walter-Abele test used in

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Toma. However, State Street never addressed the second part of the analysis, i.e., the "technological arts" test established in Toma because the invention in State Street (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) was already determined to be within the technological arts under the Toma test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a §101 rejection finding the claimed invention to be non-statutory. See *Ex parte Bowman*, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

In the present application, Claims 36-40 have no connection to the technological arts. None of the steps indicates any connection to a computer or technology. The step of receiving a request to pay a bill associated with a merchant on behalf of a consumer over a network could be performed manually by a person physically delivering the bills to a "network" of bill handlers or service providers. The term "network" could also include sending the bills through the US Postal network, using a courier service such as UPS to deliver the brand promotions through its network of carriers, etc. Further, limitations such as searching a master merchant file database and adding merchants to a master merchant file database could be performed manually by searching a list of merchants in a paper file and adding new merchants to this paper file. Similarly processing the request to generate an instruction to pay the bill can be performed manually by issuing instructions to manual workers to pay the bills by mailing checks to payees. Therefore, the claims are directed towards non-statutory subject matter. To overcome this rejection the Examiner recommends that Applicant amend the claims to better clarify which of the steps are being performed within the technological arts, such as incorporating a computer network or electronic network, electronic database, and computerized processing of the requests; for example: "receiving, via electronic network or a computer network, a request to pay a bill associated with a merchant on behalf of a consumer; determining if the merchant is included in an electronic master merchant file database". The other limitations/claims could be similarly amended to include a computer/electronic network and electronic database.

Claim Rejections - 35 USC § 103

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

This application currently names joint inventors. In considering patentability of the claims under 35 U.S.C. 103(a), the examiner presumes that the subject matter of the various claims was commonly owned at the time any inventions covered therein were made absent any evidence to the contrary. Applicant is advised of the obligation under 37 CFR 1.56 to point out the inventor and invention dates of each claim that was not commonly owned at the time a later invention was made in order for the examiner to consider the applicability of 35 U.S.C. 103(c) and potential 35 U.S.C. 102(e), (f) or (g) prior art under 35 U.S.C. 103(a).

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Claims 36-50 are rejected under 35 U.S.C. 103(a) as being unpatentable over Lawlor in view of White.

Regarding claim 36, Lawlor teaches a method for paying bills (see at least abstract and col.6, lines 37-44, "*.....In particular, the present invention provides a practical, cost-effective, workable system and method for delivering banking and other financial services (including billpaying capabilities) to remote sites such as customer homes and offices.....* "), comprising the steps of:

receiving, via a network, a request to pay a bill associated with a merchant on behalf of a consumer;

processing the request to generate an instruction to pay the bill

(For the above limitations, see at least col.7, lines 5-24, "*An asynchronous communications link is connected to a telephone company public data network (or other digital packet network) between the remote terminal and a central computer system operated by the service provider. A central computer system analyzes and processes the user payment instructions--typically processing a user's request for many discrete financial transactions at one time. The central computer stores information about these transactions in a database it maintains, and then generates electronic funds transfer (EFT) requests which it communicates to the user's bank via an ATM network/switch. For example, the central computer system may debit the user's account at his bank (e.g., via a POS debit message passed over the ATM network) and electronically transfer the funds to a holding account or bank. The central computer then distributes the funds (bill payments) to the payees requested by the user.* ". Note: the central computer receives the requests from consumer for bill payments associated with payees. The payees, in Lawlor, correspond to the merchants to whom the bill payments are to be distributed.);

determining if the merchant is included in a master merchant file database (see at least col.12, lines 21-26, "*.....Most costs are incurred in responding to user inquiries, correcting payee posting errors, maintenance of payee databases,* ". See also col.14, lines 7-9, col.33, lines 24-34, col.33, lines 51-60, "*... The payee/vendor information file is accessed to determine his status, electronic or paper payment.....* ", and col.43, lines 20-22, "*.....If desired, the initial listing displayed by block 516 may constitute a listing of categories of payees rather than individual payees.....* ". Note: As analyzed above the payees, in Lawlor, correspond to the merchants. Here, Lawlor explicitly discloses maintaining master merchant file database. Lawlor's disclosing of a category of payees instead of individual payees shows that Lawlor maintains a master merchant file database applicable to all users. Further, in Col.43, lines 25-46, "*In the preferred embodiment, a different payee is displayed on each of these lines to permit the user to select a desired payee by depressing one of select keys 108 pointing to the displayed payee name. Generally, then, a particular user will have a longer list of payees than may be displayed on display 102 simultaneously. If the user does not select one of the displayed payees (e.g., by either not depressing one of select keys 108 or by pressing the PRIOR or NEXT key 104, 106) (as tested for by decision block 518), central computer 52 attempts to display the "next" or "previous" 4-payee sublist of the user's payee list (decision block 520, 522, 516). Thus, blocks 516-522 may be visualized as defining a 4-line long "window" scrolling up and down through a user payee list that may be of any desired length. If the user reaches the end of his payee list without making a payee selection, block 524 is programmed to return to the beginning of the bill process routine 392 shown in FIG. 13.* ".] Lawlor discloses allowing the user to

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select a payee and if the payee is not found from the displayed list the user is returned to the beginning of the bill process routine. While the user is looking at the displayed list of payees retrieved from the master merchant file database he mentally determines if the required payee/merchant is there or not and if the merchant is not there he does not select the payee from the displayed list and finally returned to the beginning of bill pay routine..).

Lawlor does not expressly disclose adding the merchant to the master merchant file database if the merchant is determined to be not included in the master merchant file database. However, White, in the same field of bill payments, discloses the use of a software which teaches adding the merchant to the master merchant file database if the merchant is determined to be not included in the master merchant file database. (see at least marked page 4, lines 21-32, "*The accounts payable (and accounts receivable, as well) module has a handy feature that allows you to add a vendor (or customer) 'on the fly.' For example, if you are in the bills payable function and find that you need to enter an invoice for a vendor not yet established in you vendor file, you are not required to exit the bills payable function in order to use the vendor maintenance function to add that vendor. You enter the new vendor 's name, and the system will display the message "Vendor not on file--do you wish to add it?" When you answer yes, the system immediately displays a vendor add screen. When you finish entering the appropriate data, the system returns you to the bills payable function. This type of feature, though not truly an accounting function, sure does make the system more accommodating to the small-business environment.*"). In view of White, it would have been obvious to a person of an ordinary skill in the art at the time of the applicant's invention to have modified Lawlor to incorporate White's teachings of adding the merchant to the master merchant file database if the merchant is determined to be not included in the master merchant file database. Doing so makes the system more convenient, efficient and faster as one does not have to exit from the bill paying routine to update the master merchant filed database and then enter again the bill paying routine.

Regarding claim 37, Lawlor teaches a method for maintaining a master merchant file database (see at least col.12, lines 21-26, "*.....Most costs are incurred in responding to user inquiries, correcting payee posting errors, **maintenance of payee databases**,*" . See also col.14, lines 7-9, col.33, lines 24-34, col.33, lines 51-60, "*... The payee/vendor information file is accessed to determine his status, electronic or paper payment.....*" , and col.43, lines 20-22, "*.....If desired, the initial listing displayed by block 516 may constitute a listing of categories of payees rather than individual payees....*" . Note: As analyzed above the payees, in Lawlor, correspond to the merchants. Here, Lawlor explicitly discloses maintaining master merchant file database. Lawlor's disclosing of a category of payees instead of individual payees shows that Lawlor maintains a master merchant file database applicable to all users.), comprising the steps of:

receiving a list identifying merchants from a consumer (see at least col.10, lines 66-68, "*To use billpaying features, customers provide the service provider in advance with a list of payees (names, account numbers, addresses).*");

Lawlor further teaches maintaining and updating merchant databases (see at least col.12, lines 21-26, "*.....Most costs are incurred in responding to user inquiries, correcting payee posting errors, **maintenance of payee databases**,*" and col.20 and lines 40-43) and that the said databases include information associated with merchants that has been received from other consumers (col.43, lines 20-22, "*.....If*

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desired, the initial listing displayed by block 516 may constitute a listing of categories of payees rather than individual payees.... ". Note: As analyzed above the payees, in Lawlor, correspond to the merchants. Here, Lawlor explicitly discloses maintaining master merchant file database. Lawlor's disclosing of a category of payees instead of individual payees shows that Lawlor maintains a master merchant file database applicable to all users/consumers.).

Lawlor does not expressly disclose searching a master merchant file database to determine if information associated with one of the identified merchants is included in the master merchant file database and adding information associated with the one identified merchant to the master merchant file database if information associated with the one identified merchant is determined not to be included in the master merchant file database.

However, White, in the same field of bill payments, discloses searching a master merchant file database to determine if information associated with one of the identified merchants is included in the master merchant file database and adding information associated with the one identified merchant to the master merchant file database if information associated with the one identified merchant is determined not to be included in the master merchant file database (see at least marked page 4, lines 21-32, "*The accounts payable (and accounts receivable, as well) module has a handy feature that allows you to add a vendor (or customer) 'on the fly.'*" For example, if you are in the bills payable function and find that you need to enter an invoice for a vendor not yet established in your vendor file, you are not required to exit the bills payable function in order to use the vendor maintenance function to add that vendor. You enter the new vendor's name, and the system will display the message "Vendor not on file--do you wish to add it?" When you answer yes, the system immediately displays a vendor add screen. When you finish entering the appropriate data, the system returns you to the bills payable function. This type of feature, though not truly an accounting function, sure does make the system more accommodating to the small-business environment. ". Note: The step of entering a vendor for an invoice and finding that the vendor is not in the vendor file inherently includes the step of searching the vendor in the vendor file. In White, vendor and vendor file corresponds to merchant and master merchant file database as claimed). In view of White, it would have been obvious to a person of an ordinary skill in the art at the time of the applicant's invention to have modified Lawlor to incorporate White's teachings of searching a master merchant file database to determine if information associated with one of the identified merchants is included in the master merchant file database and adding information associated with the one identified merchant to the master merchant file database if information associated with the one identified merchant is determined not to be included in the master merchant file database.. Doing so makes the system more convenient, efficient and faster as one does not have to exit from the bill paying routine to update the master merchant file database and then enter again the bill paying routine.

Regarding claims 38, 39, and 40, all the limitations are already covered in claims 36 and 37, except for the limitation, receiving a plurality of payment records, and each of the records identifying a merchant. Lawlor shows receiving a plurality of payment records, and each of the records identifying a merchant (see at least col. 10, line 66-col. 11, line 15, "*To use billpaying features, customers provide the service provider in advance with a list of payees (names, account numbers, addresses). A typical household (owning an ATM card) writes 26 checks per month and the list might, for example include payments for: utilities--telephone, gas, water, electricity, cable*

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TV; residential--rent, mortgage, home, insurance;and ...miscellaneous--child care, tuition, church, vacation home, domestic employees, etc. " Therefore, claims 38, 39 and 40 are analyzed and rejected as being unpatentable over Lawlor in view of White based on same rational as discussed for claims 36 and 37 above.

Regarding system claims 41-45, their intended functions correspond to the method steps of claims 36-40 and are therefore analyzed and rejected as being unpatentable over Lawlor in view of White on the basis of same rational. As regards system elements, network interface, a storage device to store master merchant file database and a processor to execute the intended functions Lawlor discloses them (see at least FIG.1 and col.17, lines 43-57. Central computer system 52 with CPU-80 corresponds to the processor as claimed, Database 84 corresponds to the storage device as claimed, and the PDN switch 56, the packet assembler/disassembler 58, the communications interface 60, and dialup telephone lines 62 correspond to the network interface as claimed.

Regarding an article of manufacture claims 46-50, their intended functions correspond to the method steps of claims 36-40 and are therefore analyzed and rejected as being unpatentable over Lawlor in view of White on the basis of same rational. As regards the article of manufacture elements, a computer readable medium and computer programming stored on the medium to execute the intended functions Lawlor discloses them (see at least FIG.1 and col.17, lines 43-57. Central computer system 52 with CPU-80 with database 84 and the PDN switch 56, the packet assembler/disassembler 58, the communications interface 60, and dialup telephone lines 62 , etc...).". Unquote:

(11) Response to Argument:

A. Whether claims 37 and 38 recited non-statutory subject matter under 35 U.S.C. 101.

The applicant argues (see Appeal Brief on page 9) that 35 U.S.C. 101 does not require that a claimed invention have " connection to a computer or technology" and therefore the basis for the Examiner's position cannot be understood. The applicant further argues, that since the independent claims 37 and 38 have practical utility, that is maintaining and updating a master merchant file database and claim 38 has also the future utility of processing a request to

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generate an instruction to pay a bill, they clearly fall into a statutory class (processes).

The examiner respectfully disagrees because, as argued by the examiner in the final office action mailed on June 24, 2004, a fundamental premise is that a patent is a statutorily created vehicle for Congress to confer an exclusive right to the inventors for "inventions" that promote the progress of "science and the useful arts". The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of whether an invention is eligible for a patent is to determine if the invention is within the "technological arts". This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held that the recited mathematical algorithm did not render the claim as a whole non-statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson*, 409 U.S. 63, 175 USPQ (BNA) 673 (1972).

Additionally, the court decided separately on the issue of the "technological arts".

The court developed a "technological arts" analysis: In *Toma*, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). **The court found that the claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer.**

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The decision in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* never addressed this prong of the test. In *State Street Bank & Trust Co.*, the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather, statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See *State Street Bank & Trust Co.* at 1374. Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Therefore, the court held that "[w]hether the patent's claims are too broad to be patentable is not to be judged under 101, but rather under §§102, 103 and 112." See *State Street Bank & Trust Co.* at 1377. Both of these analysis go towards whether the claimed invention is non-statutory because of the presence of an abstract idea. Indeed, *State Street* abolished the Freeman-Walter-Abele test used in *Toma*. However, *State Street* never addressed the second part of the analysis, i.e., the "technological arts" test established in *Toma* because the invention in *State Street* (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) was already determined to be within the technological arts under the *Toma* test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a §101 rejection finding the claimed invention to be non-statutory. See *Ex parte Bowman*, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

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In the present application, Claims 37 and 38 do not recite any technology such that they promote the progress of "useful arts [technological arts]" because the steps, as recited in the claims 37 and 38, that is receiving a request to pay a bill associated with a merchant on behalf of a consumer over a network could be performed manually by a person physically delivering the bills to a "network" of bill handlers or service providers. The term "network" could also include sending the bills through the US Postal network, using a courier service such as UPS to deliver the brand promotions through its network of carriers, etc. Further, steps as searching a master merchant file database and adding merchants to a master merchant file database could be performed manually by searching a list of merchants in a paper file and adding new merchants to this paper file. Similarly, processing the request to generate an instruction to pay the bill can be performed manually by issuing instructions to manual workers to pay the bills by mailing checks to payees. Therefore, these claims do not appear to promote the progress of "useful arts [technological arts]" and falls within the purview of non-statutory matter as acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a §101 rejection finding the claimed invention to be non-statutory. See *Ex parte Bowman*, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

In response to the applicant's argument (see Appeal brief on page 11) that why would the examiner is not considering the modern definition of "database" and "processing" as given in Microsoft Computer Dictionary but instead chooses to rely over a forty year old general definition found in 1962 Webster Dictionary,

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because the claims as recited do not inherently require the use of computers as they can be done manually, as analyzed above and in keeping in line with the meanings of " database" and " processing" defined in the 1962 Webster Dictionary. Therefore, the recited claims do not satisfy the premise to promote the progress of " useful arts [technological arts] " and would fall within the purview of non-statutory matter as acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a §101 rejection finding the claimed invention to be non-statutory. See Ex parte Bowman, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

The applicant argues (see Appeal Brief on page 10) that one of an ordinary skill in the art would clearly understand that the steps of maintaining a database, searching and adding information to the database and processing the request to generate an instruction to pay the bill would utilize a computer and hence should be construed that claims 37 and 38 recite the use of technology. The examiner respectfully disagrees. This is not a rejection under 35 U.S.C. 112, 1st Paragraph, Enablement, where the applicant may be required to show that the claim(s) contains subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention. From the enablement issue, the examiner acknowledges that the applicant could be right in stating that one of an ordinary skill in the art would clearly understand that the steps of maintaining a database, searching and adding information to the database and processing the request to generate an instruction to pay the bill

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would utilize a computer **but, at** the same time, the claims as recited do not inherently require the use of computers as they can be done manually, as analyzed above. Therefore, the recited claims do not satisfy the premise to promote the progress of " useful arts [technological arts] " and would fall within the purview of non-statutory matter as acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a §101 rejection finding the claimed invention to be non-statutory. See Ex parte Bowman, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

B. 1. Whether claims 37, 38, 42, 43, 47 and 48 are obvious under 35 U.S.C. 103 (a) over Lawlor et al. and further in view of White et al.

Note: Since the appellant's brief does not include a statement that this grouping of claims does not stand or fall together and reasons in support thereof, it is a concession by the applicant that, if the ground of rejection were sustained as to any one of the rejected claims, it will be equally applicable to all of them. See 37 CFR 1.192(c)(7). Keeping in line with this 37 CFR 1.192(c)(7) the examiner chooses the broadest claim 37 to argue as why it is obvious under 35 U.S.C. 103 (a) over Lawlor et al. and further in view of White et al.

The applicant argues (see Appeal Brief pages 11-16) that "The Examiner has failed to establish a prima facie case", because (a) there is nothing in the reference text to suggest that the " mass storage device" 84 described by Lawlor even includes a " database" and (a) Lawlor lacks any disclosure of a master database of merchants or a database of merchants containing merchants

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received from or identified by multiple customers and (b) Lawlor does not teach searching the master merchant database to determine if information associated with one of the identified merchants is included in the master merchant file database and adding information associated with the one identified merchant to the master merchant file database if information associated with the one identified merchant is determined not to be included in the master merchant file database and then combining White's system with Lawlor would violate a principle of operation of Lawlor itself. The examiner disagrees for the following reasons:

Claim 37 recites " a master merchant file database, including information associate with merchants that has been received from other consumers". Lawlor discloses this limitation; see col.10, line 66-col.11, line 15:

" To use billpaying features, customers provide the service provider in advance with a list of payees (names, account numbers, addresses). A typical household (owning an ATM card) writes 26 checks per month and the list might, for example include payments for:

- (87) utilities--telephone, gas, water, electricity, cable TV;*
- (88) residential--rent, mortgage, home, insurance;*
- (89) automotive--gas credit card, auto insurance, auto loan;*
- (90) credit card--AMEX, Visa, Master Charge and others;*
- (91) retail--major department stores;*
- (92) financial--installment loan, taxes, stock broker fees;*
- (93) medical--physician, dentist, health insurance;*
- (94) business--office parking fee, newspapers, magazines; and*
- (95) miscellaneous--child care, tuition, church, vacation home, domestic employees, etc. "*

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From the above Lawlor's excerpt it is clear that information about a plurality of merchants [Note: as interpreted in the Final Office action payees correspond to merchants which include a variety of merchants, such as utility suppliers, mortgage providers, doctors, dentists, departmental stores, etc.] is received from a plurality of other consumers in order to implement bill paying. In order to effect an automated bill –paying technique it would be inherent in Lawlor to organize the merchants' information and store it in an organized manner to use it in its automated method and system and that organized storage of merchants' information would correspond to a master merchant file database as recited in claim 37 and that database which stores all the organized information about plurality of merchants received from different customers is "84", see at least FIG.1 A. The applicant argues, see Appeal brief page 13, that there is nothing in this text to support that Lawlor stores this information in a "database". In response, the examiner fails to understand the applicant's argument because the information collected about the different merchants from different customers has to be stored and organized in a database to use and process it to implement bill paying features. Please also refer to some of the many relevant excerpts from Lawlor as a mere evidence to emphasize that the information received from a plurality of different customers is stored and organized in a computerized database:

col.6, lines 37-44: *"The present invention provides a solution to many of the problems discussed above. In particular, the present invention provides a practical, cost-effective, workable system and method for delivering banking and other financial services (including billpaying capabilities) to remote sites such as customer homes and offices while avoiding the pitfalls encountered by home banking experiments of the past."* . Note: This

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suggests that Lawlor's invention is directed to a remote bill paying method and system which includes a plurality of customers and a plurality of merchants

col.7, lines 5-24, *"Briefly, the present invention provides dedicated telephone-based banking terminals to users for home or office use ("home banking"). An asynchronous communications link is connected to a telephone company public data network (or other digital packet network) between the remote terminal and a central computer system operated by the service provider. A central computer system analyzes and processes the user payment instructions—typically processing a user's request for many discrete financial transactions at one time. The central computer stores information about these transactions in a database it maintains, and then generates electronic funds transfer (EFT) requests which it communicates to the user's bank via an ATM network/switch. For example, the central computer system may debit the user's account at his bank (e.g., via a POS debit message passed over the ATM network) and electronically transfer the funds to a holding account or bank. The central computer then distributes the funds (bill payments) to the payees requested by the user."* Note: Lawlor teaches using a central computer to store information and maintaining a database to analyze and process the customer's payment instructions. It is clearly evident that the database includes the organized information on merchants collected from the customers to effect bill payments from remote sites of plurality of customers.

col.7, lines 49-63: *"Payments can be processed immediately and made using EFT means (automated clearinghouse, direct deposit in concentrator accounts, point-to-point, etc.) through payment network. Certain EFTs are processed through the originating ATM network (or through another ATM network). Payments not made electronically are sent by post in the form of a check and payor invoice information list ("check and list"). In addition, the central computer system can transmit to the user's bank the names of payees and other Federal Reserve Regulation E information through the ATM network using POS formats. This permits the customer's bank to print a unified statement listing for billpaying transactions as well as normal bank transactions (e.g., deposits, debits, and ATM withdrawals)."* Note: It would be inherent to have an organized stored information in a database relating to the plurality of merchants to effect bill payment transaction via a computerized system.

col.10, lines 44-53: *"Personal Service: The terminal provided by the preferred embodiment of the present invention is compact and portable and is available for use twenty-four hours a day. The list of payees the user selects can be anyone, not a preselected list as with the few cases where users pay bills from an ATM. The services are available when the user wants, where the user wants. His billpaying time is reduced and he need not contend with stamps, check printing fees, envelopes, and postal delivery."* Note: It would be inherent to have an organized stored information in a database relating to the plurality of merchants to select any merchant and effect bill payment transaction via a computerized system.

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Note: Lawlor also cites the emergence of many telephone bill paying systems and methods conducting remote transactions via communications networks, such as Checkfree and Merchant Networks as an Admitted Prior Art (see at least col.3, lines 25-40, " *Several independent telephone billpaying services have emerged (e.g. Checkfree and Merchants Network), but most billpaying services are offered by individual banks. Recent voice-response technology advances have enabled telephone banking and billpaying to become the banking industry's fastest growing retail product. Payments Systems, Inc., a leading electronic funds transfer consulting firm, estimates that 5-7 million U.S. households use telephone banking in 1988 versus approximately 2 million in 1985.* "). Note: Checkfree is the Real Party in Interest in the instant Appeal Brief. In order to effect bill payment and conducting remote transactions via communications network it would have been obvious for agencies such as Checkfree and Merchant Networks to store the merchants information in a database.

Claim 37 further recites, " a searching of a master merchant file database, including information associated with merchants that has been received from other consumers, to determine if information associated with one of the identified merchants is included in the master merchant file database; and a adding of information associated with the one identified merchant to the master merchant file database if information associated with the one identified merchant is determined not to be included in the master merchant file database".

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The applicant's argument (see Appeal Brief page 14) that examiner quoted col.43, lines 25-26 to read on the limitation of searching a master merchant file database is not relevant to claim 37 because in the Final Office action on pages 15-17, the examiner acknowledged that Lawlor does not expressly disclose the limitation, "searching of a master merchant file database, including information associated with merchants that has been received from other consumers, to determine if information associated with one of the identified merchants is included in the master merchant file database ", and therefore to overcome this deficiency combined the features from the reference White et al.. White et al.'s teachings are directed to Software programs to be used in a PC to address accounting procedures including accounts payable which definitely relates to the same field of Lawlor of computerized bill paying mechanisms. It is to be noted that the examiner did not find any arguments or traversal in the appeal brief against modifying Lawlor to combine White's teaching of searching of a master merchant file database, including information associated with merchants that has been received from other consumers, to determine if information associated with one of the identified merchants is included in the master merchant file database.

The applicant argues (see Appeal Brief pages 14-16), " White does not teach a processor or software drive computer adding a payee based upon received information. Rather, the user must manually add the payee", and that

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neither Lawlor nor White teach or suggest a master database of merchants. The examiner does not agree with the applicant's arguments for following reasons:

(a) In response to applicant's argument that the references fail to show certain features of applicant's invention, it is noted that the features upon which applicant relies (i.e., Claim 37 does not recite the use of a processor or software driven computer adding a merchant based upon received information. Please refer to the analysis presented above for rejecting claim 37 under 35 USC 101.) are not recited in the rejected claim(s). Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993).

(b) White teaches that his software is meant for use in PCs, see page 1, "Since its inception 4 years ago, Real World Software, a series of accounting programs for the PC, has been a leader in the full featured accounting software market...". Therefore, it is clear that, as submitted in the Final office action on page 17, White teaches the use of software functions, which would need a computer, to add new merchant in the merchant file, see marked page 4, lines 21-32, "(, ***The accounts payable (and accounts receivable, as well) module has a handy feature that allows you to add a vendor (or customer) 'on the fly.' For example, if you are in the bills payable function and find that you need to enter an invoice for a vendor not yet established in you vendor file, you are not required to exit the bills payable function in order to use the vendor maintenance function to add that vendor. You enter the new vendor 's name, and the system will display the message "Vendor not on file--do you wish to add it?" When you answer yes, the system immediately displays a vendor add screen. When you finish entering the appropriate***

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data, the system returns you to the bills payable function. This type of feature, though not truly an accounting function, sure does make the system more accommodating to the small-business environment. ". Note: The accounts payable module is a software program to be executed on a computer and vendor and vendor file corresponds to merchant and master merchant file database as claimed. Further, the step of entering a vendor for an invoice and finding that the vendor is not in the vendor file inherently includes the step of searching the vendor in the vendor file.).

(c) The examiner could not find from White's article that he teaches adding the payees manually to the vendor file/database. The examiner does not understand as how one can add payees/merchants manually to a computer file/database when the software program is to be executed on a computer.

(d) It has already been analyzed above that Lawlor suggests a master database of merchants wherein the information collected from customers is stored and organized. Also, as indicated above the vendor file in White corresponds to master merchant file database.

In view of above, the examiner opines that there is a prima facie basis for rejection of claim 37 as being unpatentable over Lawlor et al. in view of White et al.

2. There is no motivation to combine the art as proposed by the Examiner.

The applicant argues (see Appeal brief, pages 16-17) that the

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applied prior art lacks any recognition, let alone suggestion that the proposed modifications could be beneficial and further that examiner has failed to provide any explanation of how one skilled in the art could go modifying the applied references as proposed to arrive at the subject invention. In response to applicant's argument that there is no suggestion to combine the references, the examiner recognizes that obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. See *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988) and *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992). In this case, as explained above Lawlor combined with White teach all the limitations of claim 37. Further, as explained in the Final office action on page 15, in view of White, it would be obvious to one of an ordinary skill in the art to modify Lawlor to incorporate the teachings of White, that is of searching the database and adding the merchant to the database if the merchant to be included is not in the database **because it would make Lawlor's system of bill payment more convenient, efficient and faster, as suggested in White (see marked page 4, lines 21-32, "The accounts payable (and accounts receivable, as well) module has a handy feature that allows you to add a vendor (or customer) "on the fly..... When you finish entering the appropriate data, the system returns you to the bills payable function. This type of feature, though not truly an accounting function, sure does make the system more accommodating to the small-business environment. ") as one**

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will not have to exit from the bill paying routine to update the merchant database and then enter again or reconstruct the whole bill paying routine.

3. The applied references fail to suggest the claimed invention.

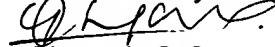
The applicant argues (see Appeal brief, pages 17-21) that the applied prior art lacks any recognition, let alone suggestion that the proposed modifications could be beneficial and further that examiner has failed to provide any explanation of how one skilled in the art could go modifying the applied references as proposed to arrive at the subject invention. In response to applicant's argument that there is no suggestion to combine the references, the examiner recognizes that obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. See *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988) and *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992). In this case, as explained above Lawlor combined with White teach all the limitations of claim 37. Further, as explained in the Final office action on page 15, in view of White, it would be obvious to one of an ordinary skill in the art to modify Lawlor to incorporate the teachings of White, that is of searching the database and adding the merchant to the database if the merchant to be included is not in the database **because it would make Lawlor's system of bill payment more**

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convenient, efficient and faster, as suggested in White (see marked page 4, lines 21-32, “ The accounts payable (and accounts receivable, as well) module has a handy feature that allows you to add a vendor (or customer) "on the fly..... When you finish entering the appropriate data, the system returns you to the bills payable function. This type of feature, though not truly an accounting function, sure does make the system more accommodating to the small-business environment. ”) as one will not have to exit from the bill paying routine to update the merchant database and then enter again or reconstruct the whole bill paying routine.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,




Yogesh C Garg
Primary Examiner
Art Unit 3625

YCG

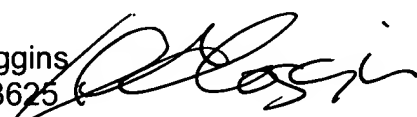
January 24, 2005

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